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Implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) and the twenty-fifth special session of the General Assembly

Special session of the General Assembly for an overall review and appraisal of the implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) and the strengthening of the United Nations Human Settlements Programme (UN-Habitat)

Report of the Secretary-General**

Summary

The present report is submitted pursuant to General Assembly resolution 57/275 of 20 December 2002, entitled "Special session of the General Assembly for an overall review and appraisal of the implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) and the strengthening of the United Nations Human Settlements Programme (UN-Habitat)".

The report summarizes the progress made in the implementation of the resolution by Governments, and in particular with regard to the implementation of the Habitat Agenda. It also covers progress being made towards the goal of achieving a significant improvement in the lives of at least 100 million slum-dwellers by 2020, as contained in the United Nations Millennium Declaration, as well as commitments made at the World Summit on Sustainable Development, including the commitment to halve, by 2015, the proportion of people who are unable to reach or to afford safe drinking water or who do not have access to basic sanitation.

* A/58/150.
** Submission of the report was delayed owing to consultations.

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The report also addresses those aspects of the resolution asking Governments to support UN-Habitat in its work to implement the Habitat Agenda in developing countries, including actions such as revitalizing the Habitat and Human Settlements Foundation; making international partnerships more effective; helping to empower Habitat Agenda partners in their work; working more closely with United Nations sister agencies; organizing international agencies to monitor the implementation of the Habitat Agenda; and supporting the New Partnership for Africa's Development and the Managing Water for African Cities Programme.

A number of recommendations are made in the report with a view to encouraging Governments to further strengthen actions towards implementing the Habitat Agenda and the Declaration on Cities and Other Human Settlements in the New Millennium, and towards the achievement of other internationally agreed development goals.

I. Introduction

1. In 2002, the United Nations Human Settlements Programme (UN-Habitat) completed a successful transition to become a fully fledged Programme that has re-focused upon the strategic "repackaging" of the Habitat Agenda in the form of specific objectives needed to achieve relevant goals of the Millennium Declaration. UN-Habitat has gone through a guided transformation and is now positioned squarely in the mainstream of the United Nations development agenda with a more streamlined and effective structure and staff. In May 2003, the former Commission on Human Settlements met for its inaugural meeting as the Governing Council of UN-Habitat to take up a number of issues referred to in resolution 57/275 of 20 December 2002.

2. In that resolution, the General Assembly encouraged Member States to strengthen and institutionalize national mechanisms as broad-based platforms for the preparation and implementation of their plans of action based on the Habitat Agenda and the Declaration on Cities and Other Human Settlements in the New Millennium. It underlined the commitments made by Governments to the goal of achieving a significant improvement in the lives of at least 100 million slum-dwellers by 2020, as contained in the United Nations Millennium Declaration, as well as commitments made at the World Summit on Sustainable Development, including the commitment to halve, by 2015, the proportion of people who are unable to reach or to afford safe drinking water or who do not have access to basic sanitation. Governments were also urged to strengthen and mainstream shelter and human settlements activities, including policy making at all levels, in their development planning framework.

3. In that resolution the Assembly also requested UN-Habitat to support developing countries in implementing these commitments by, among other actions: revitalizing the Habitat and Human Settlements Foundation; making international partnerships more effective in implementing the goals of the Habitat Agenda; helping to empower Habitat Agenda partners in their work; working more closely with United Nations sister agencies; organizing international agencies to monitor the implementation of the Habitat Agenda; and supporting the New Partnership for Africa's Development and the Managing Water for African Cities Programme.

4. The present report summarizes progress made by Governments and UN-Habitat since the fifty-seventh session of the General Assembly in the key areas of the resolution and makes a number of recommendations for consideration by the Assembly at its fifty-eighth session.

II. Financing human settlements

5. In its resolution 57/275, the General Assembly reiterated the call to Member States to strengthen UN-Habitat, and especially the United Nations Habitat and Human Settlements Foundation in order to achieve its primary operative objective, as set out in resolution 3327 (XXIX) of 16 December 1974 of supporting the implementation of the Habitat Agenda, including in respect of shelter, related infrastructure development programmes and housing finance institutions and mechanisms, particularly in developing countries. In following up on the 2002 International Conference on Financing for Development and in response to General Assembly resolution 56/206 of 21 December 2001, which devotes a full section to

financing human settlements. Governments have been working with UN-Habitat to explore ways and means to assist in the mobilization of domestic financial resources for sustainable urbanization, especially in developing countries and countries with economies in transition. In the past six months, UN-Habitat has completed an extensive review of the Foundation and proposed a global shelter facility, or similar mechanism, which may become one of the most important tools in our common fight against urban poverty. At the recent session of the Governing Council, member States approved a new UN-Habitat subprogramme in this area, which will support operational activities and their linkages with the normative work of UN-Habitat at the country and city levels.

6. At the nineteenth session of the Governing Council, member States also contributed to the strengthening of the Foundation, as exemplified by the doubling of total financial contributions in the current biennium, the resumption of funding from some member States that had suspended support pending revitalization and management reforms, the conclusion by some member States of multi-year commitments to finance core programmes of the Foundation and the forging of new partnerships with multilateral financial institutions and regional development banks in support of the implementation of the Habitat Agenda and the international development goals of the Millennium Declaration and the Plan of Implementation of the World Summit on Sustainable Development.

7. During the first half of 2003, a number of Governments reiterated the need for increased and predictable financial support for UN-Habitat. The most notable increased contributions have been from the Governments of the Netherlands, Norway and Sweden. As a result, the general-purpose contributions forecast for UN-Habitat for 2003 is currently $7.7 million, compared with $6 million in 2002, reflecting a 28 per cent increase.

8. UN-Habitat has been developing its collaboration with international financial institutions to encourage their support for the implementation of the Habitat Agenda and of the Millennium Development Goal of achieving a significant improvement in the lives of at least 100 million slum-dwellers by the year 2020. The Cities Alliance partnership between the World Bank and UN-Habitat, which has been joined by a number of bilateral donors and also recently by the Asian Development Bank, continues to provide an important forum for policy coordination and development, as well as providing support for the preparation of pro-poor city development strategies and slum upgrading programmes.

9. In addition, UN-Habitat has been collaborating with other parts of the World Bank Group. For example, building on the experience of the Managing Water for African Cities Programme, a wider framework of collaboration is being developed with the World Bank for expanded support for African cities, addressing the Millennium Development Goal in the area of water and sanitation. Also, with the support of the President of the World Bank, UN-Habitat has begun discussions with the International Finance Corporation to explore ways of leveraging private sector capital into slum upgrading and low-cost shelter and infrastructure programmes serving the urban poor.

10. Given the evident interrelationships among the provision of safe water, sanitation and adequate housing, Governments included shelter among the water and sanitation, energy, health, agriculture and biodiversity (WEHAB) targets in paragraph 18 of the Johannesburg Declaration of the World Summit on Sustainable

Development. As part of the follow-up to the Summit and the WEHAB commitments, UN-Habitat has established a Water and Sanitation Trust Fund within the Habitat and Human Settlements Foundation, to which substantial contributions have already been made by a number of member States. The Trust Fund is intended to facilitate the achievement of the Millennium Development Goal and related target for 2015, as redefined at the Summit, of reducing by one half the proportion of people without sustainable access to safe water and basic sanitation. The Trust Fund activities will be directed to create an enabling environment for pro-poor investment in water and sanitation in cities in developing countries and thus provide a vehicle to improve significantly the volume and effectiveness of official development assistance flows in the sector. The Fund will support cities and communities with demonstrated commitments to taking initiatives promoting investment in water and sanitation specifically targeted to the poorest of the poor. It will address, with priority, requests for support from Africa. Special consideration will also be given to initiatives that could reduce the burden on women and children resulting from lack of access to safe water and adequate sanitation.

11. With regard to the regional development banks, UN-Habitat has recently concluded a memorandum of understanding with the Asian Development Bank that will provide $500 million in fast-track credit lines directly to Asian countries for pro-poor investments in water and sanitation. UN-Habitat has also recently concluded a memorandum of understanding with the Inter-American Development Bank that is expected to form the basis for enhanced future cooperation between the two organizations.

12. In an innovative partnership strategy, the government of the Netherlands is pioneering the UN-Habitat Partnership Agreement, which provides a comprehensive goal-oriented framework for participation in development and encourages multi-year donor funding of work on selected themes, strategies and outputs of the UN-Habitat biennial work programme.

III. Strengthening partnerships

13. Resolution 57/275 places particular emphasis on strengthening all Habitat Agenda partnerships. Its paragraph 8 encourages UN-Habitat to continue to implement the Habitat Agenda and the Declaration on Cities and Other Human Settlements in the New Millennium by promoting partnerships with local authorities, non-governmental organizations, the private sector and other Habitat Agenda partners in order to empower them to play a more effective role in shelter provision and in the development of sustainable human settlements.

14. Member States of the UN-Habitat Governing Council revised the rules of procedure and recommended their adoption to the General Assembly so as to enable the active participation of UN-Habitat partners.

15. Habitat Agenda partners are involved in the implementation of the Habitat Agenda nationally and locally, at both the normative and the operational level. Partners take active part in UN-Habitat's campaigns, programmes and projects, as well as in work related to post-conflict reconstruction as in Afghanistan. The participation of partners in the implementation of the Habitat Agenda has become increasingly visible since the upgrading of UN-Habitat from a Centre to a Programme. Some of the significant activities in this context are set out below.

A. Local authorities

16. The call by Governments to intensify dialogues where possible on all issues related to effective decentralization and the strengthening of local authorities, in support of the Habitat Agenda, in conformity with the legal framework and policies of each country, was facilitated through a number of UN-Habitat projects, global programmes and global campaigns.

17. Prominent among the new joint activities is the successful work on city-to-city cooperation, undertaken in response to resolution 18/10 of the then-Commission on Human Settlements, with close collaboration among UN-Habitat, the Advisory Committee of Local Authorities and the World Associations of Cities and Local Authorities Coordination. Launched by the Executive Director of UN-Habitat in January 2000, the Advisory Committee has continued to serve as a vehicle for the engagement of local authorities in the work of the United Nations, including the World Summit on Sustainable Development. In August 2002, in their political declaration to the Summit, the World Associations confirmed UN-Habitat as their link to the United Nations.

18. At the nineteenth session of the Governing Council, member States endorsed the continuation of the dialogue on decentralization and the establishment of an advisory panel of experts on decentralization to guide and assist this process. The panel is to be multidisciplinary and regionally balanced.

19. A number of local authorities are directly supporting UN-Habitat activities, both technically and financially. The most prominent are Dubai municipality, co-organizer and sponsor of the International Award for Best Practices to Improve the Living Environment; Fukuoka municipality, supporting the UN-Habitat Regional Office for Asia and the Pacific; Rio Municipality, supporting the Regional Office for Latin America and the Caribbean; and Barcelona municipality, co-organizer of the second session of the World Urban Forum, to be held in September 2004.

B. Non-governmental organizations and community-based organizations

20. The NGO Forum held in conjunction with the nineteenth session of the Governing Council UN-Habitat attracted more than 500 participants. Substantial participation by slum-dwelling women and youth who cannot speak the official languages of the United Nations is an indication that language need not be a barrier to civic engagement. This participation of non-governmental and community-based organizations in the Governing Council is part of a strategic collaborative arrangement between such organizations and UN-Habitat. It is based on the commitments made in the Habitat Agenda and subsequent resolutions of the Governing Council, as well as of the special session of the General Assembly for an overall review and appraisal of the implementation of the outcome of the United Nations Conference on Human Settlements, that reinforced the facilitation of active involvement of all stakeholders on human settlements issues.

21. During the nineteenth session of the Governing Council, a number of structured, parallel events were held for youth, mainly from non-governmental organizations. A draft strategy on youth in the development of human settlements

and a draft resolution on enhancing the engagement of youth in the work of UN-Habitat were discussed by the youth representatives.

22. The challenge is how to strategically link the non-governmental organization partners that are involved mainly in advocacy work with those that are operational (especially partners with UN-Habitat in-house programmes). Although such links are already visible among the various types of partners that participated in the Governing Council forums, there is much room for improvement.

C. Private sector

23. During the nineteenth session of the Governing Council, a meeting of International Architects, Designers and Planners for Social Responsibility was organized, at which it was restated that the professions dealing with the built environment (architects, engineers, designers and planners) have a key and powerful role to play, as their input in the urban and other contexts influences social relationships, which in turn influence the quality of human existence. Professionals in the development of human settlements have been long-standing partners of UN-Habitat, and many are now taking leading roles, at all levels, as advocates of the Habitat Agenda and other, related United Nations mandates.

24. Early in 2003, in a path-breaking partnership with the private sector, UN-Habitat entered into an agreement with the Environmental Sciences Research Institute, whereby the Institute will provide up to 1,000 cities in developing countries with complete Geographic Information Systems software packages and the necessary training at no cost to the cities or to the United Nations. This programme is in support of the UN-Habitat Global Urban Observatory, which is dedicated to assisting member States and local authorities to monitor their own progress in implementing the Habitat Agenda. This will result in the expansion of UN-Habitat collaboration with Habitat Agenda partners at all levels.

D. Parliamentarians

25. Parliamentarians have a particularly crucial role to play in the implementation of the Habitat Agenda. Through national legislative processes, they may facilitate actions called for in each of the operative paragraphs of resolution 57/275 that refer to Member States. The Fourth Global Forum of Parliamentarians on Habitat, held in Berlin from 12 to 14 May 2003, adopted the Berlin Declaration, calling on Governments, inter alia, to increase financial support for the realization of the United Nations Millennium Development Goal of improving the lives of 100 million slum-dwellers by the year 2020, and calling on Governments to ensure the availability of predictable financial resources for UN-Habitat to strengthen its work on poverty alleviation.

E. World Urban Forum

26. In May 2003, the UN-Habitat Governing Council reiterated its position that attendance at sessions of the World Urban Forum should be as inclusive as possible, in order to ensure that not only national Governments but also local authorities and

other Habitat Agenda partners participate fully in the identification of new issues and the sharing of lessons learned, best practices and good policies, with a view to facilitating the optimum exchange of experience and the advancement of collective knowledge among Governments, cities and their development partners in the field of shelter and sustainable urbanization.

27. The Governing Council also noted with appreciation the invitation from the Prime Minister of Canada for the World Urban Forum to hold its third session in Vancouver in 2006. The second session will be held in Barcelona in September 2004.

IV. Coordination among international bodies, agencies and organizations

28. Paragraphs 7, 12, 13, 14 and 15 of resolution 57/275 refer to cooperation and coordination between UN-Habitat and other international entities, including the Cities Alliance, the United Nations Development Programme, the United Nations Environment Programme and the New Partnership for Africa's Development, as well as to the Habitat Agenda Task Manager System. Some of the key developments in this connection are set out below.

A. Cities Alliance

29. UN-Habitat continues its work to strengthen the Cities Alliance with staffing inputs and collaborative programme and project development. UN-Habitat, as a founding member of the Cities Alliance, has influenced its work on the preparation of city development strategy guidelines and strategies. The city development strategies are seen by UN-Habitat as an approach to urban poverty reduction that could contribute to the overall framework of national poverty reduction strategy paper efforts. As a result of UN-Habitat's efforts, the Cities Alliance has now defined the city development strategy as an action-plan for equitable growth in cities, developed and sustained through participation, to improve the quality of life for all citizens.

30. The participatory approach to city consultation for the preparation of a city development strategy is also now recognized. The guidelines state that the goals of a city development strategy include a collective city vision and action plan aimed at improving urban governance and management, increasing investment to expand employment and services, and systematic and sustained reductions in urban poverty. Slum upgrading programmes and city development strategies are seen as complementary activities in concert with the UN-Habitat campaigns on secure tenure and good governance. The follow-up activities to these campaign launches have been supported by the Cities Alliance with a view to preparing participatory pro-poor strategies. Through the Urban Management Programme, seven city development strategy exercises have been completed, and a synthesis and lessons study has been prepared.

B. United Nations Development Programme

31. UN-Habitat has recently signed a memorandum of understanding with the United Nations Development Programme (UNDP) and has already begun to establish Habitat programme managers as focal points in selected UNDP country offices. This will assist the Resident Coordinator system in providing both national and international expertise in shelter, sustainable human settlements and urban poverty components of the Common Country Assessment and the United Nations Development Assistance Framework.

32. This should also facilitate the provision of support by all members of the United Nations system to regional, national and local urban observatories, networks and capacity-building institutions at the country level.

C. United Nations Environment Programme

33. Cooperation between UN-Habitat and the United Nations Environment Programme (UNEP) is a standing item on the agenda of the Governing Council. This cooperation continues in four previously established subject areas and within the system-wide efforts of the United Nations. Cooperation has continued on city environmental profiles, demonstrations of broad-based urban environmental planning and management, normative work on guidelines and tools and joint efforts for environmentally sound human settlements technology under the joint Sustainable Cities Programme. The two Programmes have also cooperated in the development of UNEP's new urban environment policy, on disaster management, on the Joint UNEP/United Nations Centre for Human Settlements (Habitat) Task Force on the Balkans, the Managing Water for African Cities Programme and the phasing out of leaded gasoline in Africa. There is now system-wide coordination on issues of sustainable development within the contexts of the Environmental Management Group, the New Partnership for Africa's Development, the World Urban Forum and the follow-up to the World Summit on Sustainable Development.

D. Managing Water for African Cities and the New Partnership for Africa's Development

34. In the light of the activities of the New Partnership for Africa's Development in the water and infrastructure clusters, at the request of Governments, UN-Habitat is currently formulating a second phase of the Managing Water for African Cities Programme, which will be the first activity to be funded from the Water and Sanitation Trust Fund. Activities in the second phase will continue to promote increased investment in the seven cities already involved, but will also include the additional objectives of promoting improved sanitation and promoting pro-poor governance structures. It is anticipated that an additional five cities will join the Programme and that the capacity built in the region during its first phase will be used to define and develop the city-level action plans for the additional cities. Partnerships with multilateral and bilateral donors will be developed along lines similar to those of the sister programme in Asia, where UN-Habitat has entered into a formal memorandum of understanding with the Asian Development Bank in order to fast-track investment in the water and sanitation sector. Field missions for

programme formulation for both the newly and the previously involved cities will be undertaken in late 2003. The UN-Habitat joint initiative with the World Bank on pro-poor urban water governance will develop a framework to engage the poorest of the poor in decision-making on the provision of water and sanitation and will be one of the key components of the second phase of the Managing Water for African Cities Programme. The selection of new cities will be based on consideration of maintaining a good regional balance and the availability of counterpart support from participating cities.

E. Habitat Agenda Task Manager System

35. The Economic and Social Council, in paragraph 3 of its resolution 2002/38 of 26 July 2002, entitled "Coordinated implementation of the Habitat Agenda", invited the Executive Director of UN-Habitat to "pursue the establishment ... of the Habitat Agenda Task Manager System as a collaborative effort to allow better monitoring and mutual reinforcement of actions taken by international agencies in support of the implementation of the Habitat Agenda". The Commission on Sustainable Development, at its session in April 2003, decided to focus on water, sanitation and human settlements at its 2004 and 2005 sessions as part of the review of the follow-up and implementation of the commitments and Plan of Implementation of the World Summit on Sustainable Development. UN-Habitat has been given the responsibility of task manager for the drafting of the scoping paper on human settlements to be presented to the Commission and will contribute to the papers on water and sanitation, given the clear interconnections between these three sustainable development issues in an urbanized world.

36. UN-Habitat has started to implement elements of the Task Manager System in the following ways: (a) a partnership between UN-Habitat and the United Nations Statistics Division for monitoring the implementation of measures to achieve target 11 of the Millennium Development Goals, on slum upgrading (see A/56/326, annex); (b) creating 11 partnerships in the Coalition for Sustainable Urbanization aimed at implementing the Johannesburg Declaration and Plan of Implementation; (c) entering into a Partnership for Local Capacity Development, designed to promote cohesion and collective efficiency in making international support available for the development of local capacities for sustainable urbanization; and (d) implementing and monitoring partnerships developed in the context of UN-Habitat's global programmes and the two global campaigns on good urban governance and secure tenure.

V. Policy development

37. Member States are in the process of increasing efforts to institutionalize the process of planning actions, monitoring and reporting progress in the area of human settlements development (see resolution 57/275, paras. 3 and 11). As part of its global advocacy role, and in conjunction with its support for Governments and Habitat Agenda partners in their review of the implementation of the Habitat Agenda, UN-Habitat is devoting more attention and resources to its knowledge management and reporting responsibilities. The aim is to position UN-Habitat as a hub of knowledge for policy development by strengthening its monitoring and

analysis capabilities and by networking with a large variety of partner institutions. Governments, UN-Habitat and other Habitat Agenda partners continue to support the formation of national and local urban observatories in order to monitor local conditions and trends, to track progress in implementing the Habitat Agenda and to provide objective policy advice to stakeholders in sustainable urban development and urban poverty reduction. Activities include actions at the global level, such as data collection, data analysis and reporting, and actions at the local level, which involve training and capacity-building to support the establishment and functioning of national and local urban observatories. The observatories are collecting, evaluating and analysing information on urban issues and advising local and central authorities on policy formulation. A new task in this area is the development and dissemination of tools for monitoring progress towards the slum-related target of the Millennium Declaration. One such tool is the just-published guidelines on using indicators for slum monitoring.

VI. Recommendations

38. Governments that are in a position to do so are encouraged to increase the unearmarked component of their contribution in order to establish and ensure the viability of the Habitat and Human Settlements Foundation in its new and enhanced role. They are also encouraged to review UN-Habitat's innovative Partnership Agreement (see para. 12 above) to determine how it might fit into countries' development assistance programmes so that in this way they can support the work of UN-Habitat.

39. Governments are also called upon to incorporate the question of human settlements in their national development policy plans, as well as in their United Nations Development Assistance Frameworks, poverty reduction strategy papers and other relevant plans for development activities.

40. Governments are also encouraged to facilitate partnerships at the national and local levels — among civil society organizations, youth, professionals, local authorities and the business sector — in implementing the Habitat Agenda and the relevant targets of the Millennium Development Goals.

41. Governments that are able to do so are encouraged to establish national urban observatories and to facilitate the designation of local urban observatories for the purpose of generating, collecting, organizing, analysing and reporting information on urban conditions and trends as an essential foundation for the formulation of national and local urban development policies.

42. Governments are encouraged to sponsor or otherwise facilitate the participation of representatives of the poor and vulnerable in the second World Urban Forum, to be held in Barcelona in September 2004.